



2005-  
465

November 17, 2005

RECEIVED

NOV 18 2005

PUBLIC SERVICE  
COMMISSION

Honorable Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Application of Atmos Energy Corporation for a Certificate of Public Convenience and Necessity authorizing it to bid on Franchise established by the City of Lebanon, Kentucky

Dear Ms. O'Donnell:

I enclose herewith an original, plus eleven (11) copies, of an Application of Atmos Energy Corporation for a Certificate of Public Convenience and Necessity authorizing it to bid on Franchise established by the City of Lebanon, Kentucky for filing in your office.

If you have any questions or problems, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Gary L. Smith".

Gary L. Smith  
Vice President  
Marketing and Regulatory Affairs

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PUBLIC SERVICE  
COMMISSION

BEFORE THE

**PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF: )  
 )  
 APPLICATION OF ATMOS )  
 ENERGY CORPORATION, OWENSBORO )  
 KENTUCKY FOR A CERTIFICATE OF PUBLIC )  
 CONVENIENCE AND NECESSITY )  
 AUTHORIZING IT TO BID ON FRANCHISE )  
 ESTABLISHED BY THE CITY OF LEBANON )  
 KENTUCKY )

Case No.  
2005-465

APPLICATION

1

Applicant, Atmos Energy Corporation (sometimes hereinafter called "Company" or "Applicant"), a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth.

The Company (formerly known as Western Kentucky Gas Company ) is an operating public utility engaged in the business of supplying natural gas to the public in numerous cities, towns, and communities in Western and South Central Kentucky.

2

A certified copy of Applicant's Articles of Incorporation and all amendments thereto are on file in the records of this Commission. See In the Matter of: Western Kentucky Gas Utility Corporation, Case #10063.

The City of Lebanon (sometimes hereinafter called the "City") is a municipal corporation and is presently served by Applicant. Applicant has been the owner of a franchise operation of the natural gas system within the City immediately prior to the sale of a new franchise. Applicant is at the present time serving the City and owns and maintains a gas distribution system in such City.

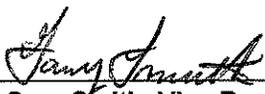
The City Commission of the City has established a natural gas franchise for the City and has directed that bids for the sale thereof be received on or before Monday, December 12, 2005. A copy of the resolution establishing such franchise, directing its sale, and setting forth the type and provisions of such franchise is filed herewith as a part hereof.

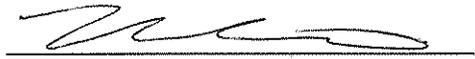
There is a demand and need for continued natural gas service for the City.

WHEREFORE, Applicant respectfully requests the Commission to enter a certificate of public convenience and necessity authorizing Applicant to bid on the aforesaid natural gas franchise and, if it is awarded such franchise, to operate the natural gas distribution system pursuant to such franchise. A copy of the franchise, if awarded to Applicant, will be filed with the Commission.

Respectfully submitted,

**Atmos Energy Corporation**

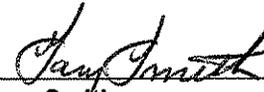
By:   
Gary Smith, Vice President of Marketing  
and Regulatory Affairs

  
Mark R. Hutchinson  
611 Frederica Street  
Owensboro, Kentucky 42301

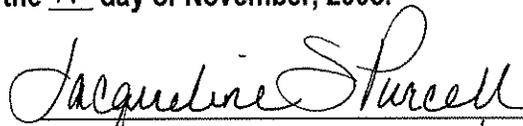
Attorney for Applicant

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF DAVIESS            )

The undersigned Affiant, Gary Smith, being first duly sworn, deposes and says that he is the Vice President of Atmos Energy Corporation, having its principal office in Owensboro, Kentucky, which is the Applicant in this proceeding; that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to the matters which are therein stated on information or belief, and that as to those matters he believes them to be true; and that he is duly authorized to sign, execute, verify and file the foregoing application on behalf of Applicant.

  
\_\_\_\_\_  
Gary Smith

SUBSCRIBED AND SWORN to before me by Gary Smith, as Vice-President of Atmos Energy Corporation, on this the 17 day of November, 2005.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 11/15/2007

CITY OF LEBANON

ORDINANCE NO. 05-10

**AN ORDINANCE OF THE CITY OF LEBANON, KENTUCKY, PROVIDING FOR THE CREATION AND SALE OF A FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS ALONG AND UNDER PUBLIC RIGHTS OF WAY WITHIN THE CITY OF LEBANON, KENTUCKY, FOR A TERM OF TWENTY (20) YEARS IN CONSIDERATION FOR WHICH THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY OF LEBANON AN ANNUAL SUM EQUAL TO ONE PERCENT (1%) OF GROSS REVENUE; AND FURTHER ESTABLISHING A BID PROCEDURE FOR THE AWARD OF SAID FRANCHISE TO THE SUCCESSFUL BIDDER.**

WHEREAS, the existing natural gas franchise agreement between the City of Lebanon, Kentucky and Atmos Energy Corporation expires on March 10, 2006; and

WHEREAS, the City has determined that it is in the best interest of its citizens to create and offer for sale a new natural gas franchise,

**BE IT ORDAINED BY THE CITY OF LEBANON, KENTUCKY** (hereinafter referred to as the "City") that the Mayor of the City, or such other person as the Mayor may designate, shall offer for sale, to the highest and best bidder, a natural gas franchise to enter upon, acquire, operate, maintain and make repairs in the public right of way of the City, a gas distribution system with the corporate boundaries of the City, subject to the provisions of the Franchise Agreement attached hereto and incorporated herein by reference.

The Mayor, or such other person as the Mayor may designate, shall, as soon as practicable after passage of this Ordinance, offer for sale, under sealed public bids, the franchise and privileges created herein. Such bids shall be in writing and shall be delivered to the Mayor or his designee, at City Hall, Lebanon, Kentucky, by 5:00 p.m. on Monday, December 12, 2005. Advertisements for such bids shall be published in accordance with the requirements of KRS Chapter 424. All costs for such advertisements shall be borne by the successful Franchisee.

Sealed bids offered for the purchase of this franchise shall be publicly opened and read at 5:00 p.m. E.S.T. on December 12, 2005. All bids shall state the bidder's acceptance of the terms and provisions set forth in the attached franchise agreement.

The Mayor shall present all written bids to the City of Lebanon at its first meeting scheduled after the Bid Deadline for the City's consideration and approval. The City reserves the right to accept any bid, to reject any and all bids received, to waive any irregularities or informalities in awarding the franchise and to accept

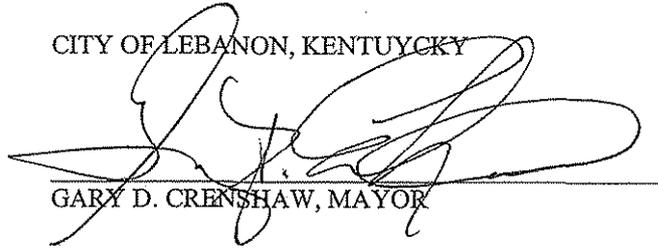
what, in its opinion, is the best responsive and responsible bid. In the event all bids are rejected, the City reserves the right to direct by resolution or ordinance that the franchise created hereunder be offered again for sale until a satisfactory bid is received and approved.

The franchise created by this ordinance shall become effective when the franchise agreement is signed by the successful bidder and the City.

**INTRODUCED AND PUBLICLY READ ON FIRST READING**, the 7<sup>th</sup> day of November, 2005.

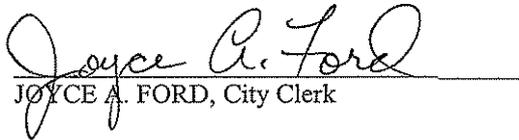
**PUBLICLY READ AND FINALLY APPROVED ON SECOND READING**, the 14<sup>th</sup> day of November, 2005.

CITY OF LEBANON, KENTUCKY

A large, stylized handwritten signature in black ink, appearing to read "Gary D. Crenshaw", is written over a horizontal line.

GARY D. CRENSHAW, MAYOR

ATTEST:

A handwritten signature in black ink, appearing to read "Joyce A. Ford", is written over a horizontal line.

JOYCE A. FORD, City Clerk